

Radius Group South Coast Commercial Vacancy Update

2008
2nd
Quarter



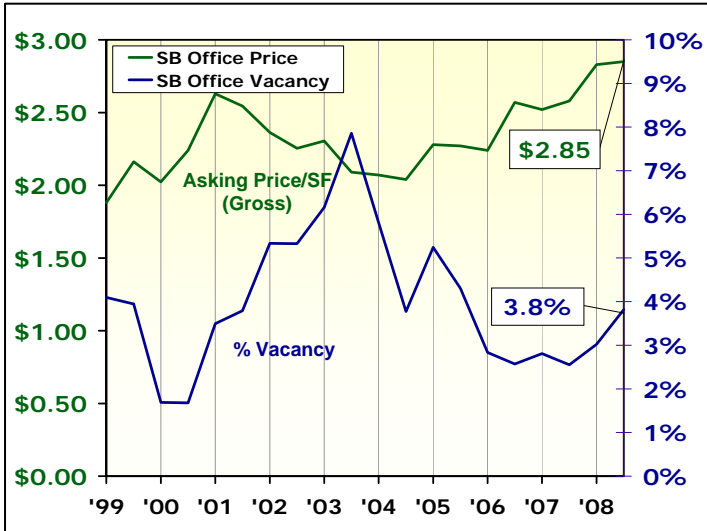
205 E Carrillo, Suite 100 | Santa Barbara, CA 93101
TEL 805.965.5500 | FAX 805.965.1150
www.radiusgroup.com

Brian Johnson (ex 127)
Bob Tuler (ex 104)
Paul Gamberdella (ex 122)

Tel 805.965.5500
Fax 805.965.1150

bjohnson@radiusgroup.com
btuler@radiusgroup.com
pgamberdella@radiusgroup.com

Santa Barbara Office Market



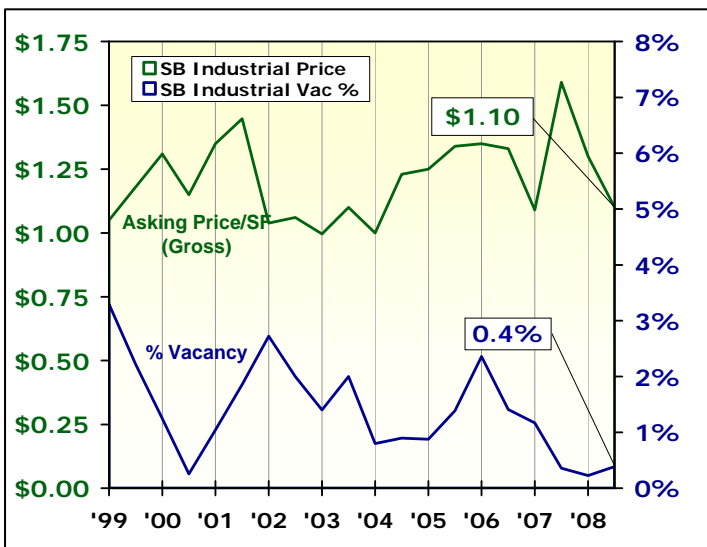
Largest Available Office Space

Address	Size	Vacated By
360 Olive Street	14,900 SF	Valueclick
3902 State Street	9,400 SF	Coldwell Banker
614 Santa Barbara St	8,000 SF	Giatti
27 E Cota Street	8,000 SF	Vacant

Largest Office Leases Q2 2008

Address	Size	New Tenant
4213 State Street	6,000 SF	
109 S La Cumbre Lane	2,600 SF	Equi-Tax Asset Solutions
24 E Cota Street	2,100 SF	Media Trust
228 W Carrillo Street	1,400 SF	Staff Assistance Inc.

Santa Barbara Industrial Market



Largest Available Industrial Space

Address	Size	Vacated By
1 N Calle Cesar Chavez	15,300 SF	Neuvie
434 E Haley Street	3,300 SF	A&A Import Service

Largest Industrial Leases Q2 2008

Address	Size	New Tenant
615 E Gutierrez Street	3,500 SF	Santa Barbara Auto Connection

Brian Johnson

In 2007, Brian completed over 60 leasing and sales transactions in the Santa Barbara area. For the last two years Brian has leased and sold over 110 properties.



Bob Tuler

Co-founding principal of Radius Group, as a part of the Tuler / Gamberdella Team in 2007 completed lease and sale transactions valued at more than \$111 million.

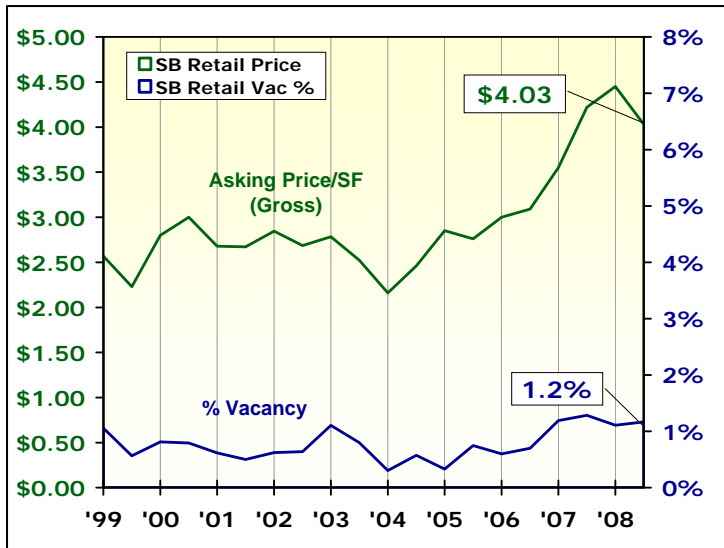


Paul Gamberdella

Leased and sold more than 645,000 square feet of office, industrial and retail space in 2007 as a part of the Tuler / Gamberdella Team.



Santa Barbara Retail Market



Largest Available Retail Space

Address	Size	Vacated By
424 State Street	16,900 SF	Pep Boys
1119-1129 State Street	11,000 SF	Multiple Tenants
314 State Street	9,500 SF	In N Out Auto
127 W Canon Perdido	8,500 SF	Opportunity Shop

Largest Retail Leases Q2 2008

Address	Size	New Tenant
901 State Street	20,400 SF	Forever 21
928 State Street	18,700 SF	
521 State Street	2,400 SF	Retroville
1228 State Street	1,300 SF	805 Ink

Highlight Office for Lease – 420 S. Fairview, Goleta

The property at 420 South Fairview Avenue is the only newly constructed Class “A” office building on the South Coast in several years. With an expected completion date of August 2008, this brand new building will be unmatched on the South Coast. Located on Fairview Avenue directly off the 101 Freeway and within walking distance to restaurants, shops and the Santa Barbara Airport, this building can support tenants ranging in size from 7,000 square feet up to approximately 73,203 square feet. For more information please visit:

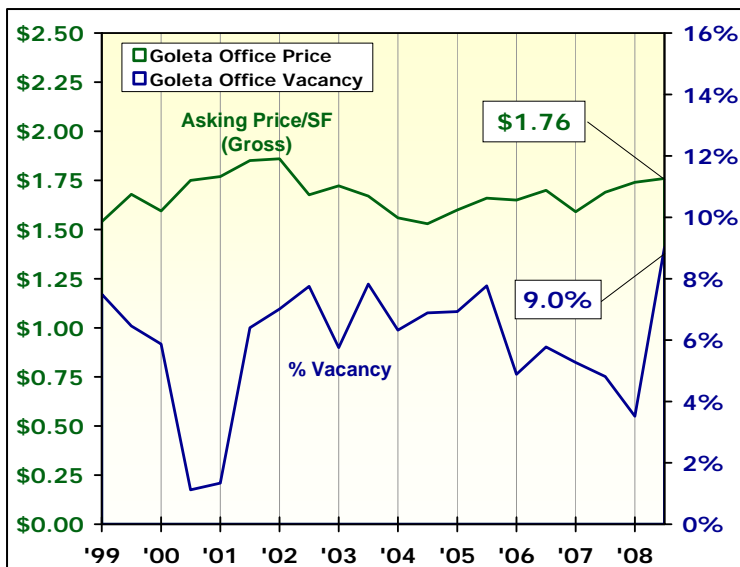
www.420sfairview.com

-Bob Tuler, Mike Chenoweth and Paul Gamberdella



Building Size: 7,000 SF to 73,203 SF
Asking Rent: \$1.85/SF NNN

Goleta Office Market



Largest Available Office Space

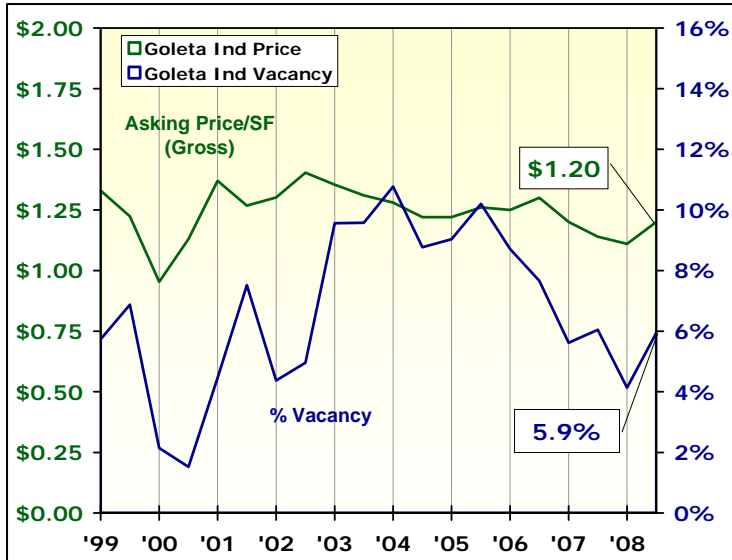
Address	Size	Vacated By
420 S Fairview Avenue	73,200 SF	New Construction
6330 Hollister Avenue	43,900 SF	Bargain Network
5540 Ekwil Drive	28,000 SF	Allergan
5383 Hollister Avenue	23,800 SF	Multiple Tenants

Largest Office Leases Q2 2008

Address	Size	New Tenant
7414 Hollister Avenue	39,700 SF	Citrix Online
120 Cremona Drive	8,500 SF	KSI
320 Storke Road	5,200 SF	IPT
75 Castilian Drive	3,300 SF	Richards Zeta



Goleta Industrial Market



Largest Available Industrial Space

Address	Size	Vacated By
6775 Hollister Avenue	81,100 SF	DuPont
82 Coromar Drive	39,000 SF	Nexus
111 Castilian Drive	22,200 SF	Moseley Associates
6466 Hollister Avenue	20,900 SF	Federal Express

Largest Industrial Leases Q2 2008

Address	Size	New Tenant
6725 Hollister Avenue F	4,700 SF	Habitat for Humanity
6725 Hollister Avenue	1,100 SF	Roto Rooter

Highlight Lease: 111 Castilian Drive, Goleta

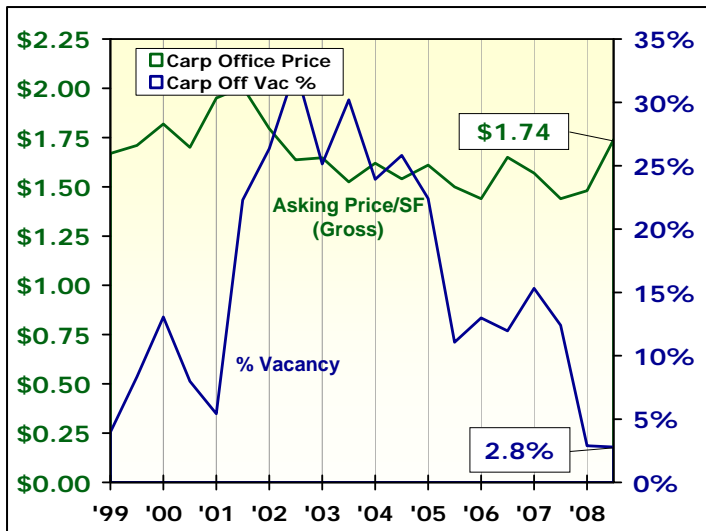
“This 22,248 square foot office/industrial building was sold along with the vacant 1.75 acres of land immediately adjacent. The owner is currently upgrading the building: new restrooms, new offices and new landscaping. We will be marketing the building for \$1.35 to \$1.50 per SF NNN.”

- **Bob Tuler & Paul Gamberdella**
Radius Group (Represented the Buyer in the Transaction)



Building Size: 22,248 SF
Asking Price: \$4,950,000

Carpinteria Office Market



Largest Available Office Space

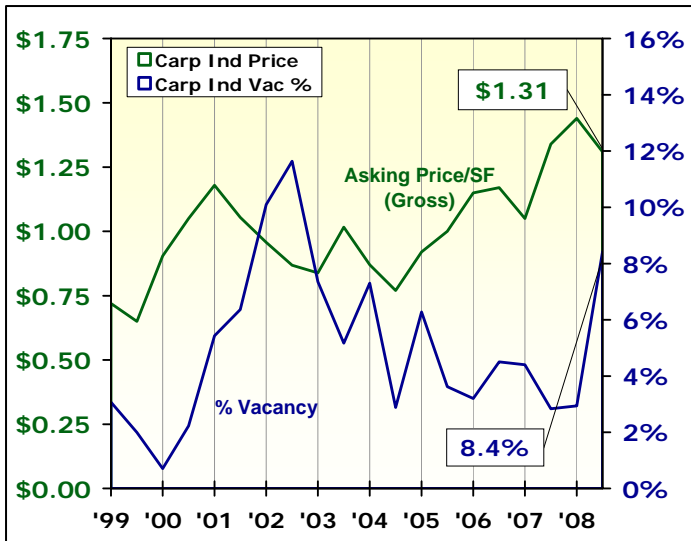
Address	Size	Vacated By
5464 Carpinteria Ave I	3,600 SF	Arcadian BBS
6420 Via Real 1-4	3,300 SF	Recovery Direct
5464 Carpinteria Ave C	3,100 SF	Dr Issels
6430 Via Real 1-2	2,800 SF	Scarab Graphics

Largest Office Leases Q2 2008

Address	Size	New Tenant
1180 Eugenia Place	5,600 SF	DiveCon
4180 Via Real F	3,600 SF	Pinnacle Information
6440 Via Real 5	1,200 SF	USDA
5565 Carpinteria Avenue	1,100 SF	Hudson



Carpinteria Industrial Market



Largest Available Industrial Space

Address	Size	Vacated By
1026 Cindy Lane	64,700 SF	Multiple Tenants
5690 Casitas Pass Road	16,000 SF	Multiple Tenants
6383 Rose Lane B	8,200 SF	Event Electronics
1005 Mark Avenue	6,900 SF	International Aerospace

Largest Industrial Leases Q2 2008

Address	Size	New Tenant
No Industrial deals were completed in the 2 nd Quarter of 2008.		

The Big Picture – Spring 2008

Along the South Coast, commercial markets saw a decrease in activity over the 2nd quarter of 2008. The average vacancy rate is still low with Santa Barbara office at 3.8% and Santa Barbara retail at 1.2%, however office vacancy in Goleta increased slightly to 9.0%. That is still more than double the vacancy rate at the end of 2007. The biggest factors contributing to the slowdown are economic concerns stemming from increased costs in fuel and materials, continued concerns in financial industries and media induced perceptions. Asking rents have remained relatively static. We expect that if the current economic conditions continue, we will see price reductions as a tool used by landlords to compete for a smaller pool of tenants. Market activity will remain slow through the remainder of 2008.



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